



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue, Suite 900
Seattle, Washington 98101-3140

JUL 26 2016

OFFICE OF
COMPLIANCE AND ENFORCEMENT

Reply To: OCE-101

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

EPA WARNING LETTER

Mr. Clark Capwell
Manager EH&S
The McGregor Company
401 Airport Road
Colfax, Washington 99111

Re: Risk Management Program Compliance Evaluation of The McGregor Company Facilities

Dear Mr. Capwell:

The U.S. Environmental Protection Agency (EPA) has reviewed The McGregor Company response dated March 3, 2016, to the information request letter dated February 6, 2016, concerning the relief system design and design basis for the anhydrous ammonia storage vessels at the facilities listed below that were inspected in 2014 or 2015. The purpose of this investigation was to evaluate compliance with Section 112(r) of the Clean Air Act also known as the Risk Management Program (RMP).

	<u>Facility</u>	<u>EPA Facility ID#</u>	<u>Address</u>	<u>City</u>	<u>State</u>
1.	Tammany Retail	1000 0006 9301	32278 Waha Road	Lewiston	ID
2.	Genesee Retail	1000 0006 8464	2045 Genesee-Juliaetta Rd	Genesee	ID
3.	Adams Retail	1000 0006 8419	76931 Mann Road	Adams	OR
4.	Star Mill Retail	1000 0002 7482	33752 Melrose Road	Reubens	ID
5.	Prairie Retail	1000 0006 7063	1899 Powerline Road	Nezperce	ID
6.	Pomeroy Retail	1000 0006 6992	235 Highway 12 East	Pomeroy	WA
7.	Grangeville Retail	1000 0006 8972	38 Frontage Road	Grangeville	ID

Listed below are areas of concern identified by the EPA:

The McGregor Company failed to meet the codes and standards used to design, build and operate the ammonia storage pressure vessel as required by 40 C.F.R. § 68.48(a)(5). The McGregor Company's design of their pressure safety relief systems using stop valves between the pressure vessel and the pressure relief valve had the potential to reduce the pressure relief redundancy of the pressure vessel that is needed for over pressurization protection. The pressure safety relief systems did not follow American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code UG-135. The McGregor Company was attempting to follow ASME UG-135, Appendix M-5, which allows stop valves to be located in the relief path under specific conditions. However, for a facility to apply Appendix M in the

design of the pressure safety relief system, permission must be granted by the authority having legal jurisdiction over the installation of the pressure vessel.¹ The EPA understands that The McGregor Company was not granted permission. Therefore, The McGregor Company failed to ensure that the ammonia storage pressure vessel is designed in compliance with recognized and generally accepted engineering practices as required by 40 C.F.R. § 68.48(b).

On April 21, 2016, The McGregor Company provided an update on the correction of their pressure safety relief systems to meet the American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code UG-135. Please provide the documentation to substantiate that the area of concern listed above has been corrected including any facility that is not listed above.

A copy of the documents must be sent to Javier Morales, RMP Coordinator, within 14 days of your receipt of this letter. The documents may be sent via e-mail, fax or mail.

Javier Morales, RMP Coordinator
U.S. EPA Region 10
1200 Sixth Avenue, Suite 900, OCE-101
Seattle, WA 98101
Fax: (206) 553-4743
morales.javier@epa.gov

Please refer to the document *General Risk Management Program Guidance* for additional information pertaining to the areas of concern addressed above. This guidance document can be found on EPA's website at: <http://www.epa.gov/rmp/guidance-facilities-risk-management-programs-rmp>

We urge you to take the steps necessary to address these concerns and to ensure that all aspects of your operation are conducted in accordance with all applicable federal, state, and local requirements. If in the future, additional violations are identified and/or corrections to the identified concerns are not made, EPA may proceed with enforcement action. If you have any questions about the inspection or the Risk Management Program, please contact Javier Morales, RMP Coordinator, at (206) 553-1255 or morales.javier@epa.gov.

Sincerely,



Kelly McFadden, Manager
Pesticides and Toxics Unit

¹ Reference ASME UG-135, Appendix M-1.